

DOMINION VIRGINIA POWER
RETAIL ACCESS PILOT PROPOSAL

TABLE OF CONTENTS

I.	EXECUTIVE SUMMARY	1
II.	BACKGROUND	7
III.	COMMON PILOT DESIGN ELEMENTS	9
IV.	GENERAL COMMUNICATION EFFORTS	12
	General Consumer Education	13
	Supplier Education	14
	Employee Education	15
V.	MUNICIPAL AGGREGATION PILOT	15
VI.	DEFAULT SERVICE PILOT	19
	Block Design and Initial Selection	20
	Competitive Bidding	23
	Consumer Education and Notification	24
	Possibility of Aggregation Block in Default Service Pilot	25
VII.	COMMERCIAL AND INDUSTRIAL PILOT	26
VIII.	RATES	29
IX.	REPORTING REQUIREMENTS	31
	APPENDIX A - OUTREACH TO STAKEHOLDERS	33
	APPENDIX B - TERMS AND CONDITIONS - MUNICIPAL AGGREGATION	36
	PILOT	

APPENDIX C - TERMS AND CONDITIONS - DEFAULT SERVICE PILOT	40
APPENDIX D - TERMS AND CONDITIONS - COMMERCIAL AND INDUSTRIAL PILOT	45
APPENDIX E - TARIFF RIDER RAP - RETAIL ACCESS RIDER.....	47
APPENDIX F - TARIFFS WHICH ARE AFFIRMATIVELY SELECTED BY CUSTOMERS.....	50
APPENDIX G - PILOT DESIGN TABLES.....	51

I. EXECUTIVE SUMMARY

1 Virginia Electric and Power Company ("Dominion Virginia Power" or the "Company")
2 proposes three new retail access pilot programs ("Pilots") designed to stimulate the
3 development of retail competition in Virginia. The programs will also provide a laboratory
4 for the development and testing of critical rules and procedures needed for the ongoing
5 transition to a competitive market in a "real-world" setting. Dominion Virginia Power
6 recognizes that it, along with other stakeholders, has important responsibilities to advance
7 these crucial objectives. The proposed Pilots will build on the solid foundation that has been
8 laid by the Commonwealth's current retail access program, Virginia Energy Choice, and
9 benefit from the infrastructure currently in place. In addition to stimulating retail
10 competition, the Pilots will provide stakeholders in the restructuring process with valuable
11 information about steps that will advance the development of Virginia's competitive retail
12 electric supply market, both during the transition period (through July 1, 2007) and beyond.
13 These stakeholders include the General Assembly's Legislative Transition Task Force
14 ("LTTF"), the State Corporation Commission ("Commission"), incumbent utilities,
15 Competitive Service Providers ("CSPs"), and customers.

16
17 The Pilots will make available to CSPs up to 500 MW of load, with the expected
18 participation of more than 65,000 customers drawn from a variety of customer classes. The
19 Pilots will run for two years, from January 1, 2004 through December 31, 2005. Most

1 importantly, to encourage participation by CSPs and customers, in each of these Pilots the
2 Company proposes to reduce significantly the wires charges (also referred to as Competitive
3 Transition Charge or "CTC") for participants during the years 2004 and 2005. The reduction
4 will be one-half of the wires charges approved by the Commission for 2003 in the Company's
5 compliance filing in Case No. PUE-2001-00306 on November 1, 2002. However, the
6 reduction will be subject to the following limitation. The reduction in the years 2004 and
7 2005 will not exceed the total wires charge established by the Commission for the applicable
8 customer class for each of those years. The proposed wires charges reduction is also
9 contingent on the continued use of the same methodology to determine projected market
10 prices and wires charges for 2004 and 2005. The wires charges reduction should stimulate
11 competition by providing greater opportunities for customer savings and better chances for
12 CSPs to recover their operating costs.

13
14 The Company will develop, implement and administer the Pilots, incurring significant
15 costs in doing so. These proposals demonstrate that the Company is committed to the goal of
16 stimulating competition and market development in Virginia.

17
18 The three Pilots are designed to give all customers, from residential consumers to large
19 commercial and industrial users, an opportunity to gain first-hand experience with retail
20 choice. At the same time, the Pilots will test new concepts that may become key elements of
21 the future market structure. Specifically, the new Pilots will provide an opportunity for
22 stakeholders to gain hands-on experience with important restructuring issues such as
23 municipal aggregation, the competitive provision of default electricity supply service, and

1 simulation of market-based pricing. In addition, these Pilots will increase public awareness of
2 electric retail access and will expand upon the knowledge already gained through the
3 Company's previous pilot, Project Current Choice, and the Virginia Energy Choice program.
4 As designed, every Dominion Virginia Power customer subject to Commission jurisdiction
5 will have an opportunity to consider participating in one of the Pilots.

6
7 In 1998, the Company proposed the first electric retail access pilot to be offered to
8 Virginia customers and noted that it would take several years to "put in place and adequately
9 test all of the systems and structures supporting customer choice." The regulatory rules,
10 business processes, and infrastructure needed to support customer choice in Virginia are now
11 in place, and by all accounts functioning exceptionally well. However, many observers have
12 asked if additional steps can be taken to advance retail choice activity. These Pilots move
13 beyond the goals specified for the Company's first retail access pilot and strive to identify
14 additional measures that can be undertaken to bring the benefits of competition to all
15 Dominion Virginia Power customers. Specifically, the Pilots target three different aspects of
16 retail competition:

- 17
18 1) municipal aggregation;
19 2) the attributes of default service, including the bidding process for the selection of CSPs as
20 default providers; and,
21 3) facilitating competition for commercial and industrial customers. The Pilot targeted to
22 these customers will gather information to test - through simulation - several models that

1 have been developed in other jurisdictions to determine the market-based prices at which
2 distribution companies provide electricity supply service to similar customers.

3
4 In each of the Pilot programs proposed in this filing, customers would be free to return to
5 the Company's capped rate service at any time. However, participants in the Commercial and
6 Industrial Pilot may be subject to minimum stay requirements as currently required by the
7 Commission Rules.

8
9 Importantly, the Pilots are designed to build confidence among stakeholders, including
10 consumers, that retail competition will succeed. The Pilots will benefit participants by
11 offering insight into the opportunities that should exist for customers after the transition
12 period ends. With this in mind, the Company has conducted an extensive outreach effort in
13 advance of this filing. The details of the Pilots proposed in this filing incorporate input
14 received from consumer groups, the Commission Staff ("Staff"), CSPs, and local government
15 representatives. Appendix A provides a listing of all the meetings conducted by the Company
16 to reach the different stakeholder groups.

17
18 The three Pilots proposed in this filing are described below.

19
20 **Municipal Aggregation Pilot**

21
22 In this Pilot, two or more Virginia municipalities will participate in a program to
23 aggregate their residential and small business customers. One or more localities with a

1 combined total of up to 30,000 customers will use the "opt-in" model, with customers
2 required to make an affirmative decision to participate and switch to the competitive provider
3 arranged by the municipality. In addition, one or more localities with a combined total of up
4 to 30,000 customers will use the "opt-out" approach. Eligible customers will be informed of
5 the details of the program and will be given the opportunity to decline to participate, but will
6 be included if they do not make an affirmative decision to withdraw. It is anticipated that a
7 total of approximately 100 MW of customer load will participate in the Municipal
8 Aggregation Pilot. Both the opt-in and opt-out programs are consistent with the provisions of
9 House Bill 2319, recently enacted in the 2003 session of the Virginia General Assembly.

11 **Default Service Pilot**

13 Competitive default service will be offered to approximately 43,000 residential and small
14 business customers. The Pilot will involve four blocks of load, each with a peak of
15 approximately 50 MW. In this filing, the Company proposes that CSPs will bid on serving
16 blocks of customers. The bidding will be conducted pursuant to rules developed by the
17 Commission. Customers will be invited to volunteer for the program. If the program is under-
18 subscribed, additional participants will be chosen through a random selection process.
19 Customers randomly selected will have the opportunity to decline participation. If the
20 program is over-subscribed, participants will be chosen from among the volunteers through a
21 lottery. The Company will carry out the random selection and lottery processes, under the
22 Commission's oversight. These processes would be similar to those used in 2000 to manage
23 the lottery during the Company's Project Current Choice pilot.

1 The Pilot will supply valuable information to the Company and the Commission, while
2 the work group established by the Commission in its December 23, 2002 order to conduct a
3 study of default service pursues its objectives. The Pilot will furnish real-world experience on
4 implementing and managing certain aspects of the default service process.

5
6 Another potential option for part of the Default Service Pilot load is a test of "general
7 aggregation." There are several licensed aggregators in the Commonwealth and they may be
8 interested in pursuing the establishment of a purchasing group. Such a group may encompass
9 multiple rate classes. Under a "general aggregation" program, the licensed aggregators -
10 rather than the Commission - would solicit bids and select the CSP to serve the customers in
11 the buying group. While this Pilot proposal does not include a general aggregation program,
12 the Company endorses the concept and stands ready to assist in the development of a general
13 aggregation pilot if the Commission determines such an initiative should be pursued.

14 15 **Commercial and Industrial Pilot**

16
17 The Pilot will incorporate about 200 MW of load and will include large commercial and
18 industrial customers with demand equal to or greater than 500 kW. Based on the average load
19 of eligible customers, it is estimated that the Pilot will accommodate approximately 150
20 customers. Participation will be voluntary with a lottery selecting participants from among
21 volunteers if the program is over-subscribed. Participants who elect to return to Dominion
22 Virginia Power for electricity supply service after purchasing it from a CSP will be served
23 under capped rates with applicable minimum stay requirements. Using information collected

1 from the Pilot participants, Dominion Virginia Power will perform simulations to estimate
2 the market-based prices for electricity supply service that customers would have been
3 charged had they returned to the Company's service under those conditions. The simulations
4 should supply information and experience that will be useful after the capped rates period
5 ends and all customers are subject to market-based prices. The Company proposes to apply
6 two or more market-based pricing models developed in various jurisdictions (e.g., Maryland,
7 New Jersey, and Pennsylvania) for use in simulating market-based pricing of commercial and
8 industrial customers' demand and energy during this Pilot. The Company will work with the
9 Staff and others to determine the most appropriate market-based pricing methodologies to be
10 tested.

11
12 The public interest will be served by increasing public awareness and knowledge about
13 electric retail access, providing stakeholders experience with the benefits of municipal
14 aggregation, developing a framework for default service, and simulating potential market-
15 based pricing alternatives. Most importantly, the Pilots allow for experimentation and
16 development of these attributes of retail access without a long-term commitment to the
17 envisioned designs.

18 19 **II. BACKGROUND** 20

21 In 2002, the Company began internal discussions on the means to further advance retail
22 competition for all customers. Several initiatives were specifically discussed, including the
23 need to test aggregation of customers by municipalities in accordance with § 56-589 of the

1 Virginia Electric Utility Restructuring Act ("Restructuring Act"). During the same time
2 period, the Consumer Advisory Board ("CAB") was exploring the merits of municipal
3 aggregation, and ultimately recommended to the LTTF that a legislative amendment be
4 offered that would provide for both opt-in and opt-out municipal aggregation programs.

5
6 Also, realizing that the Commission can pursue the competitive provision of default
7 service as early as January 1, 2004 when all customers are eligible for choice, the Company
8 saw the need to test the bidding and customer assignment processes involved in providing
9 competitive default service. Finally, in preparation for the advent of market-based default
10 service pricing provided by a distributor after the capped rate period expires, the Company
11 recognizes that additional information needs to be gathered in order to learn more about
12 market-base pricing options, especially with respect to larger commercial and industrial
13 customers.

14
15 With this impetus, the Company began the process of developing the Pilots presented in
16 this proposal. The Company concentrated on proposals that would deliver benefits to
17 customers and be attractive to CSPs by providing them with the opportunity to compete
18 effectively in the Company's service area by significantly reducing the wires charges. The
19 two-year period of the proposed Pilots should provide enough time for the Commission to
20 review the processes and rules needed to accommodate municipal aggregation and default
21 service bidding, and to make assessments for fine-tuning these processes before the end of
22 the capped rate period.

III. COMMON PILOT DESIGN ELEMENTS

The Pilots target specific jurisdictional customer classes and have been designed to collect and analyze specific information that should enhance retail access activity in Virginia. These Pilots share several common features. They will be developed in 2003, with the Company seeking Commission approval by August 2003 to facilitate implementation by January 1, 2004. The three Pilots will have a two-year life, remaining in effect through December 31, 2005. Importantly, with each of the Pilots, the Company is proposing to waive a portion of the wires charge for all participating customers in order to create additional "headroom" for CSPs to cover their costs of doing business and to offer savings to customers. This is explained in further detail in the Section VII of this filing (the Rates Section).

A new Pilot Price to Compare ("Pilot P-T-C") will be computed and made available to all eligible customers, reflecting the reduction in the wires charge. Due to the reduction in the wires charges proposed for each of the Pilots, the current Price-to-Compare will increase by an amount equal to the reduction in the wires charge, resulting in the Pilot P-T-C. For example, assume that the total bundled rate is 8.3 cents per kWh, the distribution rate is 2.5 cents per kWh, and the total wires charge rate is 1.8 cents per kWh. In this scenario, the current Price-to-Compare equals 4 cents per kWh ($8.3 \text{ cents} - 2.5 \text{ cents} - 1.8 \text{ cents} = 4 \text{ cents}$ per kWh). With a 50 percent reduction in the wires charge, the Pilot P-T-C would equal 4.9 cents per kWh ($8.3 \text{ cents} - 2.5 \text{ cents} - (1.8 \text{ cents} \times 50\%)$).

1 It is expected that the existing *Rules Governing Retail Access to Competitive Energy*
2 *Service* (20 VAC 5-312) (“Rules”) will still be applicable for the Pilots with few exceptions.
3 One notable exception is that Rule 20 VAC 5-312-80.B requires that “a competitive service
4 provider may enroll, or modify the services provided to, a customer only after the customer
5 has affirmatively authorized such enrollment or modification.” The Rule further specifies the
6 appropriate methods of authorization. In the opt-out Municipal Aggregation Pilot, customers
7 will be notified that they will be switched to a CSP unless they take a proactive step to
8 decline. Likewise, if the Default Service Pilot is not fully subscribed with volunteers,
9 additional customers will be randomly selected for participation in the program. It could thus
10 be argued that enrollments in these two cases will take place without the “affirmative
11 authorization” required in Rule 20 VAC 5-312-80.B. The Company proposes that a waiver of
12 this Rule is consistent with the intent of the General Assembly in passing House Bill 2319.
13 Therefore, the Company is requesting that the Commission waive that Rule for these Pilots,
14 if necessary. A detailed communication and education program will be conducted to ensure
15 that customers are aware that “no action” on their part will effectively authorize a CSP to
16 enroll them.

17
18 Also, based on recommendations received from the Staff in the meeting held on January
19 28, 2003, the Company has included the terms and conditions for administration of the
20 Municipal Aggregation and Default Service Pilots in the Company tariffs applicable to the
21 Pilots included in this filing. These proposed tariffs include the provisions needed to
22 accommodate the opt-out process for municipal aggregation and competitive default service.
23 The Company proposes that the Commission approve these terms and conditions as

1 guidelines so experience can be gained through the Pilot activity. Subsequently, based upon
2 the Pilot experience, the Company proposes that the Commission promulgate rules for
3 Municipal Aggregation and Default Service. The precedent for establishing pilot rules as part
4 of the utility's tariff has been set in the Washington Gas Light and Columbia Energy choice
5 pilots approved by the Commission in Case No. PUE971024 and Case No. PUE970455,
6 respectively.

7
8 The standards for exchange of electronic data between the Company and the CSPs will
9 continue to be maintained under the requirements established by the VAEDT, which have
10 been filed with the Commission.

11
12 The Pilots will be available only to Virginia retail customers under the Commission's
13 jurisdiction receiving service under any of Dominion Virginia Power's unbundled rate
14 schedules. Dominion Virginia Power will provide metering services under the Company's
15 existing Terms and Conditions. Billing will be in accordance with the Rules and the CSP
16 Coordination Tariff.

17
18 The Company proposes four limitations on participation of customers. First, each
19 customer can only participate in one of the three Pilot programs. Second, no partial loads will
20 be allowed. Third, certain customers will be excluded from assignment in the Municipal
21 Aggregation Pilot and random selection in the Default Service Pilot, specifically those
22 customers already taking service from a CSP and those customers who have opted out of the

1 mass list of eligible customer information ("Mass List")¹ provided to CSPs. Fourth,
2 customers who have affirmatively selected certain non-traditional rate schedules and riders
3 (see Appendix F for a list of the applicable rate schedules), will also not be included in the
4 assignment and random selection processes. Consistent with the applicability of Rider J, if a
5 customer on Rider J volunteers and is enrolled in the Pilot, that customer will not be
6 permitted to return to service under Rider J. Also, consistent with the Company's policy,
7 customers receiving the Energy Saver Home Plus credit will not receive this credit in the
8 event they participate in the Pilot, nor will they be allowed to return to this program at any
9 point in the future.

11 **IV. GENERAL COMMUNICATION EFFORTS**

13 Customer awareness of the opportunity to participate in these Pilots and of their potential
14 economic benefits will be critical to the Pilots' success. The Company will focus
15 communication efforts on all jurisdictional customers, the CSPs that will potentially supply
16 the electricity needs of the participating customers, and Company personnel in customer
17 contact positions. Specifically, the Company's Corporate Communications department will
18 work extensively with the Staff's Information Resources personnel to maximize the public's
19 knowledge of the Pilots through readily available media representatives. The Company will
20 develop and distribute specific consumer education materials aimed at the individual

¹ As called for in 20 VAC 5-312-60.B of the Rules, Dominion Virginia Power provides, by May 1st and November 1st of each year, licensed and registered CSPs and aggregators with a specified list of customer information. Prior to the posting of each list, customers are provided with the opportunity to have their information withheld, in total. Customers may use the Company's web site or the Customer Service Center to record their decision or reverse a previous decision. The list is composed of all eligible customers.

1 objectives and goals of each of the three Pilots, as discussed later. In the development of
2 these materials, experience learned from the Company's initial pilot, Project Current Choice,
3 will be incorporated to most effectively provide the necessary information. Also, the
4 Company will work with the Virginia Energy Choice Consumer Education Advisory
5 Committee ("Committee") in consumer awareness efforts. This Committee, which was begun
6 by the Staff to provide a forum of consumers, utilities, and CSPs, as well as the Staff, will be
7 used to communicate the Pilots to all stakeholder groups. Dominion Virginia Power
8 anticipates that the Committee will play a key role in explaining and promoting the Pilots
9 through grassroots networks of contacts, community organizations, and newsletters.

11 **General Consumer Education**

13 The Company will use a variety of communication tools in order to reach a wide base of
14 customers. In all instances, the emphasis will be on providing readily understandable
15 information that allows consumers to make informed decisions. Communication efforts will
16 include bill inserts and customer newsletters included with the Company's monthly billing
17 statement. The Company will develop pilot-specific materials that will be added to the
18 Energy Choice pages of Dominion Virginia Power's pages on Dominion's web site
19 (www.dom.com), including the Pilot P-T-C information for customers.

21 Company representatives will be available to meet with customer groups to further
22 explain the Pilots with specific information that will be developed through the Company's
23 speakers bureau. The Company's Customer Service Center representatives will be trained on

1 all aspects of the Pilots and will be available to respond to customers' specific questions. The
2 Company will work with the Committee to develop a Pilot summary page containing specific
3 information on the Pilots, which will be inserted in the Consumer Guide that was developed
4 by the Commission as part of the Virginia Energy Choice Education Campaign. The
5 Commission will mail this to customers upon request. All customer communications required
6 by the Company to comply with the Rules for retail access will continue.

8 **Supplier Education**

10 Dominion Virginia Power is committed to establishing a collaborative and cooperative
11 working relationship with interested CSPs. With that commitment in mind, when developing
12 the administrative details for the Pilots, the Company conducted conference calls on
13 February 6, 2003 and March 13, 2003 with interested suppliers and aggregators for the
14 purpose of explaining the design of the Pilots, answering questions, and obtaining feedback
15 and suggestions. See Appendix A for details.

17 The Company's web site will be the main information source for CSPs to obtain
18 education materials. In fact, a specific Pilot web page will be developed and added to the
19 Supplier portion of Dominion Virginia Power's pages on Dominion's web site
20 (www.dom.com). Also, the Company plans to conduct a series of CSP education web
21 conferences. These web conferences will include, but not be limited to, registration; customer
22 enrollment; customer switching; terms and conditions for transmission access, scheduling
23 and settlement; information exchange; terms and conditions for metering, billing, collections,

1 and other Local Distribution Company ("LDC") services to customers; terms and conditions
2 for services provided by the LDC to CSPs; and, Pilot filing details.

4 **Employee Education**

6 The Company will develop and implement training programs for employees to be
7 equipped to support the customer and CSP education efforts. For instance, Customer Service
8 Center Representatives and Key Accounts Managers will participate in specific education
9 programs to provide more detailed information on the Pilots. Particular emphasis will be
10 given to providing training to employees in customer contact positions that frequently
11 interact with customers and CSPs. The Company will use existing internal communication
12 systems to educate employees generally about the Pilots, including on-line employee
13 newsletters, employee newsmagazines, and an employee-accessible, Company-maintained
14 Intranet web site.

16 **V. MUNICIPAL AGGREGATION PILOT**

18 House Bill 2319, enacted by the 2003 General Assembly, was based on a
19 recommendation of the CAB that was approved by the LTTF. This approval indicates both
20 legislative and consumer interest in using pilot programs to facilitate retail choice through
21 aggregation. The bill specifically allows the Commission to establish both opt-in and opt-out

1 municipal² aggregation programs upon application by an incumbent electric utility. The
2 legislation directs the Commission to report to the LTTF on the status of such pilots annually
3 through 2006. It is anticipated that the Governor will approve House Bill 2319 and the
4 provisions of the bill will become effective on July 1, 2003, in ample time for
5 implementation of the Company's proposed Municipal Aggregation Pilot. With the adoption
6 of this bill by the General Assembly, the Company began to fine-tune the details of the
7 Municipal Aggregation Pilot, which was already in the process of development, as noted
8 earlier. This Pilot is directed towards residential and small business customers in at least two
9 localities. This Pilot will fulfill the goals of House Bill 2319 by providing valuable
10 information on the best methods of bringing the benefits of competition to aggregated groups
11 of residential and small business customers. The Pilot also will furnish specific information
12 to the Commission and the LTTF on customer activity and interest in municipal aggregation
13 programs. With both the opt-in and opt-out programs implemented simultaneously, direct
14 comparisons can be made between the processes and results of the two different ways of
15 managing aggregation. The participating localities will gain experience regarding the costs
16 and requirements of administering an aggregation program. Also, customers should realize
17 economic benefits gained through aggregation. The proposed terms and conditions for the
18 Municipal Aggregation Pilot are presented in Appendix B.

19
20 The Company anticipates that two or more localities will agree to participate in the
21 program to aggregate the loads of their residential and small business customers. One or

² As defined in the Restructuring Act in the Definitions section (section 56-576), "municipality" means a city, county, town, authority or other political subdivision of the Commonwealth.

1 more localities with a total of up to 30,000 customers will use an “opt-in” selection process,
2 with customers volunteering to participate in a program with their local government serving
3 as their aggregator. In the second part of the Pilot, one or more localities with a total of up to
4 30,000 customers will use an opt-out selection process; customers will be informed of the
5 details of the program and be given the opportunity to decline to participate. If they decline
6 to take part in the opt-out aggregation, they may continue on capped rate service from the
7 Company, or select a different CSP outside of the Pilot. If customers take no action to inform
8 their local government that they do not want to be part of the aggregation program, they will
9 be included in the Pilot. All customers within the municipalities are eligible for this Pilot
10 except for those eligible to participate in the Commercial and Industrial Pilot (customers with
11 equal to or greater than 500 kW demand).

12
13 The Company envisions that interested municipalities, not the Commission or the
14 Company, will determine the actual localities where the Pilots will be conducted, given the
15 parameters defined by the Company and approved by the Commission. Participating
16 localities have not been determined at this time. It is anticipated that the Company and Staff
17 will work with the local government officials to facilitate the self-selection process through
18 education and communications.

19
20 The municipalities that elect to participate in the aggregation pilot will be required to be
21 licensed by the Commission and registered with Dominion Virginia Power as aggregators.
22 Both the opt-in volunteering process and the opt-out process will be managed by the
23 municipalities. These municipalities will also have the responsibility for customer

1 communication efforts, including notification of customers about the Pilot, and providing
2 customers with instructions on how to exercise their choice to opt-in or opt-out. The
3 guidelines for the notification process are further enumerated in Appendix B. Additionally,
4 the municipalities will manage the bidding process whereby supply contracts are awarded to
5 CSPs to provide the customers with electricity supply service. However, the Commission
6 may provide guidance during the analysis and review the process for the bids received from
7 the CSPs.

8
9 To facilitate customer communication and enrollment, the Company will provide the
10 municipalities with a list of eligible customers in each municipality, as well as information
11 required for valid enrollment of the customers. The list will include such customer
12 information as billing address, service address, customer rate class, Pilot P-T-C for each
13 customer, customer profile and 12 months usage information, as well as the overall profile
14 for the group of customers anticipated to be enrolled. Tax district information, which is
15 maintained on each customer's billing account, will be used to identify customers to be
16 included on the list. Dominion Virginia Power will provide a new list to the municipality
17 every three months. The municipality will be responsible for communicating the Pilot
18 information to any new accounts.

19
20 Once the municipalities have selected the winning CSPs through the bidding process
21 and the opt-in and opt-out processes have been completed, the CSPs will submit the
22 necessary enrollments to Dominion Virginia Power. These enrollments will be processed in
23 compliance with the Rules and the CSP Coordination Tariff, as well as the requirements

1 established by the VAEDT. The CSPs will enroll customers in a manner to be determined by
2 the Company to facilitate reporting.

3
4 The Municipal Aggregation estimated target participation levels can be found in Table 1
5 of Appendix G.

6 7 **VI. DEFAULT SERVICE PILOT**

8
9 The Default Service Pilot will provide useful information on one of the key features of
10 the Restructuring Act; the ability of the Commission to award the retail default service
11 obligation to a CSP through a bidding process. Further, this Pilot will provide experience in
12 managing default service. On December 23, 2002, in Case No. PUE-2002-00645, the
13 Commission entered an order establishing an investigation into default service. Specifically,
14 the expressed intent of the Commission in this investigation is to “determine the components
15 of default service and the establishment of one or more programs and making such programs
16 available to retail customers in furtherance of our statutory obligations under § 56-585 of the
17 Restructuring Act”. The Default Service Pilot will complement this investigation and will
18 provide a case study for the Commission in developing rules for competitive bidding for this
19 type of service. The proposed terms and conditions for the Default Service Pilot are
20 presented in Appendix C.

21
22 This Pilot will test certain processes and procedures that may be required to administer
23 competitive retail default service, especially after the end of the capped rate period. This Pilot

1 will also test the communication processes that will be vital to ensure consumer protection
2 and education in the future.

3
4 The Default Service Pilot will include approximately 43,000 customers and account for
5 about 200 MW of load based on historic load data from 2002. This Pilot will be available to
6 residential and small business customers anywhere in the Dominion Virginia Power service
7 territory with the limitations noted in the Common Design section. All customers are eligible
8 for this Pilot except for those customers eligible to participate in the Municipal Aggregation
9 Pilot and the Commercial and Industrial Pilot (customers with equal to or greater than 500
10 kW demand).

11 12 **Block Design and Initial Selection**

13
14 The Company proposes four blocks of load, with each block comprised of customers
15 from the eligible classes as shown in Appendix G, Table 2. The distribution of customers will
16 be based upon historic load data. Each block will achieve a peak load of approximately 50
17 MW. The load profile of each block and the customers assigned to each block will be
18 determined by Dominion Virginia Power and the process overseen by the Commission. The
19 Company will notify customers of their eligibility and the customers will have at least 30
20 days to volunteer to participate. Dominion Virginia Power will maintain a list, by rate class,
21 of all eligible customers who have volunteered to participate in the Pilot. If there is an over-
22 subscription in any rate class during the initial selection period, the Company will conduct a
23 lottery, with oversight and verification by the Commission, to fill the blocks. At the

1 conclusion of the volunteering period, a random process will be used to assign each account a
2 position on the waiting list by rate class. Accounts assigned a position within the limits for
3 that rate class, as shown in Appendix G, will be assigned to a default block. Accounts
4 assigned a position beyond the limits of the block, as shown in Appendix G, for that rate
5 class will remain on the waiting list. If there is an under-subscription in any rate class during
6 the initial selection period, additional customers will be selected using a random selection
7 process, with Commission oversight, excluding those customers referenced earlier. The
8 random selection process is the same as the lottery described earlier which will be conducted
9 by the Company with oversight and verification by the Commission.

10
11 Once the blocks have been initially filled to achieve the target level of customers, a load
12 profile for each block will be created. For each block, the class-specific profiles based on the
13 targeted number of customers will be provided to the Commission for use in issuing the bid
14 request. Following the Commission's awarding of the contracts to the winning CSPs,
15 Dominion Virginia Power will send an electronic file containing the list of customers in each
16 block to the winning CSPs. The CSPs will then notify each customer in the block of their
17 selection to participate in the Default Service Pilot and will explain their option to decline
18 participation. As customers decline to accept the CSPs' offer to participate in the Pilot,
19 Dominion Virginia Power and the CSPs will exchange electronic files in a format to be
20 determined (e.g., Excel files). The Company will note that such customers have declined to
21 participate in the Default Pilot and will consequently remove these customers from any
22 future random selection to backfill any of the Default Service Pilot blocks.

1 If a customer does not initially decline to participate in the Default Pilot, then the CSP
2 can submit an enrollment for that customer. Upon enrollment by the CSP, the customer will
3 receive a confirmation letter from Dominion Virginia Power and will have ten days, from the
4 date of the letter, to respond according to the Rules (20 VAC 5-312-80.I). Therefore, the
5 customer still has the right to rescind the enrollment according to the Rules, and not be
6 switched to the CSP.

7
8 Because of customer attrition, it is likely that the number of customers in each class
9 assigned to the block will not remain at the target levels. Therefore, there must be a means to
10 address attrition from the stated number of customers due to customers moving out of the
11 service area or electing to return to Dominion Virginia Power's capped rates. During each of
12 the first three months of the Pilot, Dominion Virginia Power will determine whether there
13 has been attrition resulting in a reduction in the number of customers designed to be in each
14 block. If attrition has occurred, Dominion Virginia Power will backfill by replacing
15 customers that have withdrawn from the Pilot with customers from the same rate class as
16 those that have withdrawn. Backfilling will be conducted first from the waiting list of
17 volunteers and, second, by random selection from the pool of customers being served under
18 the Company's capped rates that are not excluded from random selection in the Pilot. For the
19 first three months, the Company will backfill at the end of each month. Thereafter, for the
20 next fifteen months of the Pilot, the Company will backfill at the end of each subsequent
21 three-month period to achieve the targeted customer levels in each block.

22

1 CSPs will submit enrollments in compliance with the Rules, the CSP Coordination Tariff,
2 and the EDI requirements established by the VAEDT for accounts that did not decline the
3 CSPs' offers. Such enrollments will also be in a manner to be determined by the Company to
4 facilitate reporting. The Company will also provide a Synchronization list in accordance with
5 the VAEDT. The proposed Default Service Pilot Terms and Conditions are attached in
6 Appendix C. The Company considers the proposed terms and conditions to be an initiative
7 that the Default Service Work Group will use to begin discussions. The Company proposes
8 that the Work Group strive to reach consensus on rules that will be presented to the
9 Commission for approval as part of this proceeding.

11 **Competitive Bidding**

13 The Company proposes a process in which CSPs will bid on serving blocks of customers
14 selected by the Company. There should be four basic objectives of the Pilot bidding process:
15 1) to determine if the bidder is a suitable provider of default service; 2) to award the blocks to
16 the suitable bidders with the lowest weighted average prices; 3) to provide equal class-
17 specific market prices across all four blocks once the blocks have been awarded to a winning
18 bidder; and 4) to ensure that no CSP be awarded more than two blocks. To achieve these
19 objectives, the Company proposes that the Commission determine the qualification of the
20 bidders, administer the bidding rules, and manage the selection process for awarding the bids
21 according to the proposed default service bidding rules in Appendix C. By managing the
22 bidding process, the Commission can gain information on criteria set forth in § 56-585.B.1 of
23 the Restructuring Act:

1 From time to time the Commission shall designate one or more providers of default
2 service. In doing so, the Commission:
3 1. Shall take into account the characteristics and qualifications of prospective
4 providers, including proposed rates, experience, safety, reliability, corporate
5 structure, access to electric energy resources necessary to serve customers
6 requiring such services, and other factors deemed necessary to ensure the reliable
7 protection of such services, to prevent the inefficient use of such services, and to
8 protect the public interest.
9

10 The Commission's selection criteria may include both qualitative and quantitative criteria.
11 These criteria, and their relative weights in the decision-making process will need to be
12 defined in advance of issuing a Request for Proposals ("RFP").
13

14 **Consumer Education and Notification**

15

16 The Company will develop education tools to address the specific information needs of
17 customers participating in the Default Pilot. First, all eligible customers will be provided with
18 an explanation of the Default Pilot, informing them of their eligibility to participate and
19 instructions on how they can volunteer for this program. The information will explain that if
20 the program is not fully subscribed, a selection process will be conducted and customers will
21 be randomly selected to participate in the Pilot as discussed earlier. Finally, the Company
22 will explain that, if they are selected to participate, they will receive notification from the
23 CSP selected to supply their electricity. Customers who volunteer, but are not selected to
24 participate, will receive notification from Dominion Virginia Power. Once the Commission
25 has awarded the contracts to the CSPs, the CSPs will notify customers of the following
26 information: 1) their pending enrollment; 2) the CSP's offer price; 3) the customer's

individual Pilot P-T-C; 4) the customer's option to decline participation and the date by which this must occur; and, 5) contact information.

Possibility of Aggregation Block in Default Service Pilot

In discussions with stakeholders about the Pilots, a process for carving out a block of the Default Pilot and using it specifically for an aggregation program for one or more licensed aggregators has been suggested. The Company endorses and believes that such an idea has merit and may provide the Commission with substantial information on non-governmental aggregation. The Default Service Pilot has been designed so that, in essence, the Commission will aggregate and put out for bid, service to residential and small commercial customers. If the Commission is interested in pursuing such a general aggregation block, the Company will work with the Staff and interested aggregators to design and make such a block of load available as a "set-aside" from the Default Service Pilot. While a general aggregation block may involve customers in rate classes or locations that are eligible for other Pilots, the limitation that they may participate in only one Pilot still would apply. Specifically, the Commission could elect to take one or two of the four 50 MW Default Pilot blocks and set them aside for licensed aggregators. Most importantly, the Commission would need to either develop criteria for selection of the aggregator, or aggregators, or select the aggregators to participate in the Pilot. Any selected aggregator would handle the RFP or procurement process for its customer buying group. Examples of such aggregation groups may be residential only, apartments and office blocks, or retail merchant groups. The aggregators could provide the Commission with information on the bids they receive, which the

Commission could compare to the Default Service bids. This approach would test governmental versus private aggregation. Additional guidelines may need to be developed to properly manage such a process.

VII. COMMERCIAL AND INDUSTRIAL PILOT

This Pilot, comprising 200 MW of load, will apply to large commercial and industrial customers with demands equal to or greater than 500 kW. This Pilot will be available anywhere within Dominion Virginia Power's service territory, and could accommodate as many as 150 customers based on average usage of GS-3 and GS-4 customers, with the actual number of customers enrolling dependent on the amount of each customer's load. The Company is not limiting the participation to a stated number of GS-3 and GS-4 customers but rather to the customers selected to participate, up to a load of 200 MW. Initially, the Company envisioned that customers participating in this pilot would do so on a "first come, first served" basis at enrollment. During initial discussions with suppliers, however, it became apparent that this policy would prove logistically difficult for CSPs. In the conference call on February 6, 2003 that the Company conducted with potential CSPs and other interested parties, it was noted and affirmed by several CSPs that the uncertainty surrounding a "first come, first served" policy may preclude the CSPs from procuring the energy supply and transmission service necessary, with the firm commitment required on the part of customers and CSPs, to assure price certainty and favorable pricing terms.

1 As a result of the CSPs' concerns, the Company proposes that all eligible customers be
2 given an opportunity to volunteer for participation in this Pilot. If the load of the commercial
3 and industrial customers interested in participating in the Pilot exceeds the size limit of the
4 Pilot, a lottery would be conducted to select the participants. This lottery would be similar to
5 the lottery conducted by the Company in Project Current Choice and overseen by the Staff.
6 However, unlike Project Current Choice, customers selected by the lottery would be required
7 to enroll with a supplier or they will forfeit their position in the Pilot. Sixty days after
8 enrollments are initially accepted for the Pilot, the Company proposes to award unused
9 positions to the next appropriate customer on the volunteer list, so long as the 200 MW
10 ceiling is not exceeded.

11
12 CSPs participating in this Pilot will enroll customers in a manner to be determined by the
13 Company to facilitate reporting. The participating customers will be allowed to return to
14 Dominion Virginia Power service under capped rates, with applicable minimum stay
15 requirements. If, however, for some reason the CSP fails to provide service, the customer
16 will be allowed 30 days in which to be enrolled with another CSP as part of the Pilot.

17
18 Further, the Company wants to use this Commercial and Industrial Pilot to gather as
19 much information as possible about the alternate approaches to developing market-based
20 pricing of electricity supply service provided by a distribution company. To that end, the
21 Company proposes to prepare simulations that assume every customer participating in the
22 Commercial and Industrial Pilot returns to Dominion Virginia Power. An estimate will be
23 prepared of what each customer's cost of electricity supply service would have been under

1 two or more market-based pricing models. The Company and the Staff would mutually agree
2 on the market-based pricing models used for the analysis, selecting from methods that are
3 either in place or under consideration in other jurisdictions. The market-based pricing models
4 that are ultimately selected should be applicable to similarly situated customers, and provide
5 an opportunity to test approaches that have significant differences. The Company would
6 make the results of this analysis available to the Commission and to the customers
7 participating in this Pilot. This analysis would be prepared with the understanding that
8 neither the Commission nor the Company endorses any of the particular methods that are
9 selected to test. This type of comparison in pricing mechanisms will provide knowledge and
10 experience that will be essential after the capped rate period has ended.

11
12 General information about the features of this Pilot, as well as eligibility notification, will
13 be provided to customers through a combination of direct mail, bill inserts, direct contact
14 with the Company's Key Accounts Managers, information distributed through professional
15 organizations, and the Energy Choice pages of the Company's web site, which have been
16 referenced earlier. Those customers with accounts designated as Key Accounts can obtain
17 their Pilot P-T-C information from their Dominion Virginia Power Account Manager.

18
19 The proposed terms and conditions for the Commercial and Industrial Pilot are
20 presented in Appendix D.

VIII. RATES

The wires charge reduction is provided through a proposed rider, Rider RAP - Retail Access Pilot, that will apply to customers who participate in any of the three Pilots, receive electricity supply service from a CSP, and are billed on one of the Company's applicable unbundled rate schedules. Rider RAP, shown in Appendix E, will provide a credit for each billing month to the total Competitive Transition Charge ("CTC")³ established by the Commission for 2003 calculated on the Unbundled Rate Schedule under which the customer is billed.

The percentage of the credit to the total CTC is limited to the amount represented by waiving one-half of the applicable wires charge for 2003 based upon the Company's compliance filing in Case No. PUE-2001-00306 made on November 1, 2002. To calculate the amount of the wires charge reduction, the Company will multiply the Average Rate/kWh shown under the column labeled 2003 Wires Revenue (Volume 3, Appendix 12) for each rate schedule, times one-half. This amount of reduction establishes a limit for the wires charge reduction for the Pilot.

³ Pursuant to the Rules Governing Retail Access to Competitive Energy Services, "Competitive Transition Charge" means the wires charge, as provided by § 56-583 of the Code of Virginia, that is applicable to a retail customer that chooses to procure electricity service from a competitive service provider. The only situation in which the reduction in the CTC would be less than 50% of the 2003 amount would be if the total applicable CTCs for either 2004 or 2005 were less than an amount equal to 50% of the 2003 CTC. For example, if 50% of the 2003 CTC were 0.9 cents, and the 2004 CTC were 0.8 cents, then the reduction in the CTC for 2004 would be 0.8 cents.

1 To calculate the percentage waiver of wires charges for 2004, wires charges for 2004
2 must first be determined. The determination of wires charges for 2004 will be made in Case
3 No. PUE-2001-00306. The Company will make its filing in that docket on July 1, 2003.
4 Once the wires charges for 2004 have been established, the calculation of the percentage
5 waiver is made in three steps:

- 6 1) The lower of either the (Average Wires Revenue per kWh for 2004 or the Average
7 Wires Revenue per kWh for 2003 X 50%).
- 8 2) Divide the result from (1) by the Average Wires Revenue per kWh for 2004.
- 9 3) Multiply the result from (2) times 100.

10 The following is an example of how the percentage waiver is calculated using Rate Schedule
11 1:

12 Assume that the average wires charge for 2004 is \$0.012 per kWh. The average wires charge
13 per kWh for 2003 from Volume 3, Appendix 12, Page 5 of the Company's Compliance Filing
14 in Case No. PUE-2001-00306 made on November 1, 2002 is \$0.01818 per kWh.

- 15 (1) The lower of either the Average Wires Revenue per kWh or the Average Wires
16 Charge Revenue per kWh (\$0.012, (\$0.01818 X 50%)).
- 17 (2) The result from (1) equals \$0.00909. Divide \$0.00909 by \$0.012.
- 18 (3) The result from (2) equals 0.7575. Multiply 0.7575 times 100.

19 The percentage waiver of the Rate Schedule 1 wires charge for 2004 equals 75.75%.

20
21 Finally, the Company's proposed approach for reducing the wires charges for any
22 customer participating in the Pilots is contingent upon the use, for 2004 and 2005, of the
23 same methodology for determining the projected market prices and wires charges as adopted

1 by the Commission for 2003. Should the Commission decide to materially change the
2 methodology for setting the market prices and wires charges in either year, then the manner
3 in which the Company proposes to reduce the wires charges would have to be re-evaluated
4 and possibly redefined.

6 **IX. REPORTING REQUIREMENTS**

7
8 As discussed above, the Company proposes that the Pilots generally be developed and
9 implemented within the existing Rules and infrastructure. Additionally, the Company
10 understands the importance of collecting data and analyzing such data during the course of
11 the Pilots. Accordingly, the Company proposes to provide the Staff with certain periodic
12 reports on a routine basis, in accordance with the existing Rules.

13
14 Rule 20 VAC 5-312-20.N requires that the local distribution company file with the
15 Staff's Division of Energy Regulation and Economics and Finance a monthly report which,
16 at a minimum, includes all cancellation requests alleging a customer was enrolled without
17 authorization. Rule 20 VAC 5-312-20.O provides that the local distribution company file
18 with the Staff's Division of Economics and Finance a quarterly report providing a detailed
19 breakdown of residential and non-residential customer switching activity. The Company filed
20 its first Monthly Cancellation Report with the Staff on January 15, 2002 and has been filing
21 such reports on or about the fifteenth of each month since that date. The Company began
22 filing its first Quarterly Report on Customer Switching Activity on April 30, 2002 and
23 thereafter has filed quarterly switching reports.

1 The Monthly Cancellation Report includes the customer's name, address, account
2 number and enrollment date, the CSP involved, and a brief statement regarding the
3 customer's explanation for the cancellation. The Quarterly Report on Customer Switching
4 Activity includes the number of customers and amount of load eligible to switch, the number
5 of customers, and corresponding amount of load (MW and kWh) served by each CSP.

6
7 The Company proposes that, for the Pilots, it will append a sub-report on activity within
8 the Pilots to each Monthly Cancellation Report and Quarterly Report on Customer Switching
9 Activity as an Appendix. Thus, without creating additional reporting requirements, the
10 Company will provide the Staff with the Pilot data (as an addendum) in the same format that
11 the Staff has seen in existing reports.

12
13 Finally, Rules 20 VAC 5-312-30.H.3 and 20 VAC 5-312-90.Q require the Company to
14 make documentation concerning affiliate transactions and billing deficiencies, respectively,
15 available to the Staff upon request. The Company proposes that these same rules will apply
16 to information concerning affiliate transactions and billing deficiencies during the Pilots.

17
18 The Company also proposes to prepare and file Quarterly Reports on the Pilots as they
19 are implemented and administered, starting 90 days after approval and continuing for the
20 duration of the Pilot.

APPENDIX A – OUTREACH TO STAKEHOLDERS

The Company has conducted six meetings with different stakeholder groups to introduce the three Pilot programs described in this proposal, as well as to answer any questions and provide additional information as requested. Importantly, the Company has received vital feedback from these stakeholder groups and has incorporated this feedback in this proposal where feasible. Dominion Virginia Power has stated at each of these meetings that it is interested in interacting with stakeholder representatives in order to develop Pilots that can effectively stimulate retail access activity in the State, realizing that representatives' input is vital to achieving this goal. This valuable input from the various groups that will be working with the Company to implement the Pilots is necessary to develop successful Pilots that will attract customer participation.

Below is a listing of the meetings as well as the attendees at the meetings.

Meeting with the Commission Staff - January 28, 2003

The purpose of the meeting was to inform the Commission Staff of the Company's plans to initiate the Pilots in an effort to stimulate competition in the State. The Company also explained the initial development of the Pilots and the vision the Company has for the method of attracting participation from the applicable customer groups. The meeting was also held to gain feedback from the Staff and to focus on any questions they have on the Pilot design and development. Attendees included representatives from the Commission Staff and Dominion Virginia Power.

1 **Conference Call with Potential Suppliers - February 6, 2003**

2
3 The purpose of this meeting was to introduce the proposed Pilots to potential suppliers
4 and to answer any questions they had in terms of the direction and development of the
5 Pilots. The Company also welcomed feedback and suggestions from the suppliers.
6 Attendees included the following representatives:

7
8 **Competitive Service Providers:**

9 AEP Retail Energy, Washington Gas Energy Services, Pepco Energy Services, Ameralda
10 Hess, TXU Energy, Strategic Energy, Dominion Retail, Constellation New Energy, One
11 World Energy, Inc., and Select Energy.

12
13 **Aggregators:**

14 New Era Energy, AOBA, and Greater Richmond Retail Merchants Association.

15
16 **Independent Power Producers:**

17 Ingenco and Mirant.

18
19 **Others:**

20 State Corporation Commission Staff, ODEC, and Dominion Virginia Power.

21
22
23 **Meeting with Municipal Representatives - February 13, 2003**

24
25 The purpose of the meeting was to introduce local governmental leaders to the proposed
26 Municipal Aggregation Pilot, obtain feedback and suggestions, and gauge their interest
27 and potential for participation. Attendees included representatives from Charlottesville,
28 Chesterfield County, Stafford County, Fairfax County, Henrico County, Goochland
29 County, Richmond, Arlington County, Fauquier County, the Virginia Municipal League,
30 Office of the Attorney General, the State Corporation Commission Staff, Christian and
31 Barton law firm, and Dominion Virginia Power.

32
33
34 **Meeting with Virginia Citizens Consumer Council Representative - February 18,**
35 **2003**

36
37 The purpose of the meeting was to inform this consumers' advocate organization of the
38 design of the proposed Pilots and solicit feedback on consumer protection issues.
39 Attendees included a representative from the Virginia Citizens Consumer Council and
40 Dominion Virginia Power.

1 **Meeting with Commercial and Industrial Representatives - February 20, 2003**

2
3 The purpose of the meeting was to introduce the representatives to the proposed
4 Commercial and Industrial Pilot, obtain feedback and suggestions, and gauge their
5 interest and potential for participation. Attendees included representatives from Greater
6 Richmond Retail Merchants Association, Williams Mullen law firm, Christian Barton
7 law firm, and Dominion Virginia Power.
8
9

10 **Meeting with the Division of Consumer Counsel Office of the Attorney General -**
11 **February 26, 2003**

12
13 The purpose of the meeting was to introduce representatives from the Office of the
14 Attorney General to the proposed Pilots. The Company also explained the development
15 of the Pilots and the proposed methods of attracting participation in the Pilots, with
16 specific emphasis on consumer protection measures. Attendees included representatives
17 from the Office of the Attorney General and Dominion Virginia Power.
18
19

20 **Web Conference with Potential Suppliers - March 13, 2003**

21
22 This web conference provided a follow-up meeting in order for the Company to update
23 potential suppliers with details of the Pilots that had not been available at the time of the
24 conference call on February 6, 2003. Company representatives highlighted the changes to
25 the proposed filing and encouraged constructive feedback. Participants included
26 representatives from Pepco Energy Services, Washington Gas Energy Services,
27 Dominion Retail, Strategic Energy, New Era Energy, ODEC, E-Group, the Greater
28 Richmond Retail Merchants Association, and Dominion Virginia Power.
29

1 **APPENDIX B TERMS AND CONDITIONS - MUNICIPAL AGGREGATION PILOT**

2
3 **I. Term of the Pilot**

4
5 (A) The Pilot shall begin on January 1, 2004 and end on December 31, 2005.

6
7 (B) All applicable rules and requirements for retail access shall be followed as
8 supplemented below.

9
10 **II. Reduction in Applicable Wires Charges**

11
12 Customers participating in the Pilot shall receive a reduction in applicable wires
13 charges according to Rider RAP.

14
15 **III. Eligibility of Customers**

16
17 (A) The Pilot will be available to all customers in the municipality except those
18 customers eligible to participate in the Commercial and Industrial Pilot
19 (customers with equal to or greater than 500 kW demand).

20
21 (B) The municipality will notify customers of their eligibility.

22
23 **IV. Municipal Aggregation Ordinance**

24
25 A municipality seeking to form an aggregation group made up of the municipality's
26 residents and small businesses shall adopt an ordinance. The ordinance shall specify
27 whether the aggregation will occur only with the prior consent of each electric
28 account holder (opt-in) or will occur automatically for all such electric account
29 holders unless the account holder declines (opt-out).

30
31
32 **V. Operation and Governance Plan**

33
34 (A) This Operation and Governance Plan is to be developed by the municipality, and
35 approved and administered by the Commission.

36
37 (B) The municipality shall adopt an operation and governance plan for the Pilot. The
38 operation and governance plan adopted shall detail the services to be provided
39 under the aggregation and specify all customer rights and obligations under the
40 aggregation. The plan shall be sufficiently detailed to allow customers to readily
41 understand the services that the municipal aggregator is to provide and to compare
42 those services to similar services provided by CSPs. The municipal aggregator
43 shall write the plan in clear and plain language so that residential consumers can
44 readily understand it. The plan shall, at a minimum, contain all of the following:

- (1) A detailed description of services the municipal aggregator is to provide under the aggregation, noting whether the service is to be provided directly by the municipal aggregator or by a party contracted by the municipal aggregator.
 - (2) A detailed description of the municipal aggregator's plan for providing the required opt-out disclosure notices to customers. The plan shall describe the steps that the municipal aggregator will take to ensure that all customers residing within the municipal aggregator's boundaries are notified. The plan shall also identify the time frames associated with the opt-out disclosure notice.
 - (3) A detailed description of the municipal aggregator's customer service procedures and dispute resolution processes, including notice of the customer's right to contact the Commission and the Commission's toll-free telephone number.
 - (4) A detailed description of the policies associated with a customer moving into the aggregation area or within the aggregation area. If the policies provide that these customers will be automatically included in the aggregation, the municipal aggregator shall provide the customer an opportunity to opt-out of the aggregation.
 - (5) A description of the municipal aggregator's policies regarding the ability of a customer who has previously opted out of the aggregation to join the aggregation, including identification of any associated conditions.
- (C) A municipal aggregator shall keep its operation and governance plan available for public inspection and shall, upon request, provide a copy of the plan to any existing or potential customer of the aggregation.
- (D) A municipal aggregator shall not alter its operation and governance plan in any way that materially affects the customers of the aggregation without first providing notice to all affected customers and providing these customers the opportunity to opt-out of the aggregation according to the procedures established for the initial opt-out disclosure notice. The notice shall set forth the changes to the plan, inform the customer of its right to opt-out of the aggregation without penalty, and identify the method and time frame for the customer to opt-out.

VI. Aggregator License

A municipality must obtain a license from the Commission prior to engaging in any municipal aggregation that involves customer communications.

1 **VII. Dominion Virginia Power Cooperation With Municipal Aggregators**

2
3 (A) Dominion Virginia Power will provide a list of all eligible customers within the
4 jurisdictional boundaries of the municipality.

5
6 (B) Said list will contain information consistent with the information provided to
7 CSPs and additional information required by the municipality to facilitate
8 customer communications.

9
10 (C) Each three-month period the Municipal Aggregator will be provided with an
11 updated customer list from Dominion Virginia Power.

12
13 (D) Dominion Virginia Power shall provide appropriate rate class profiles to the
14 municipality ten business days prior to the issuance of a Request for Proposal by
15 the municipality.

16
17 (E) Dominion Virginia Power will provide coordination services consistent with its
18 Competitive Service Provider Coordination Tariff.

19
20 **VIII. Opt-In or Opt-Out Notification Requirements**

21
22 (A) It will be the responsibility of the municipality, or its designee, to notify
23 customers prior to enrollment of the following:

24
25 (1) Actions taken to select the CSP.

26
27 (2) Services that the CSP will be providing.

28
29 (3) Fixed prices are to be expressed in cents per kilowatt-hour. Variable rates
30 must include a description of factors that cause the rate to vary and how
31 often this will occur.

32
33 (4) Customers' individual Pilot P-T-C.

34
35 (5) Itemized list of fees and charges, if any, that are not included in the rates.

36
37 (6) Dates covered by the CSP's offer.

38
39 (7) Statement that explains that if the customer switches back to service with
40 Dominion Virginia Power they will return to the capped rates.

41
42 (8) Credit and deposit policies.

43
44 (9) Limitations or conditions for customer inclusion.

(10) Explanation of opt-in or opt-out process steps necessary to exercise the customer's option and any associated timeframe for a response. The process must, at a minimum, allow for the return of a post card to the CSP and must allow at least 21 days from the date of the postmark for the customer to respond.

(11) Local or toll-free telephone number for questions.

(B) The CSP must provide written notice to the customer with the new Pilot P-T-C.

(C) The Municipal Aggregator will not release to the CSP any information pertaining to any customers that are not active participants in the Pilot.

(D) The CSP will maintain a record of the customer's opt-in or opt-out decision.

IX. Obligation of the Municipal Aggregator

(A) The Municipal Aggregator will use its best efforts to observe the geographic aggregation boundaries and the customer's opt-in or opt-out decision.

(B) The Municipal Aggregators must comply with the Rules Governing Retail Access established by the Commission and the Company's CSP Coordination Tariff.

(C) The Municipal Aggregator must ensure that any CSPs awarded bids are fully compliant with the Rules Governing Retail Access at the time of expected enrollment.

X. Consumer Protection

(A) The customer has the right to terminate enrollment with the CSP and return to capped rate service.

(B) The customer will be responsible for any applicable CSP fees or charges resulting from termination of the contract by the customer.

(C) Customers switched in error will be switched back to Dominion Virginia Power and any associated charges and fees will be cancelled or reimbursed by the CSP.

XI. Pilot Identification

CSPs will enroll customers for the Pilot in a manner to be determined by the Company to facilitate reporting.

1 **APPENDIX C TERMS AND CONDITIONS - DEFAULT SERVICE PILOT**

2 **I. Term of Pilot**

3
4 (A) The Pilot shall begin on January 1, 2004 and end on December 31, 2005.

5
6 (B) All applicable rules and requirements for retail access shall be followed as
7 supplemented below.

8
9 **II. Reduction of Applicable Wires Charges**

10
11 Customers participating in the Pilot shall receive a reduction in applicable wires
12 charges according to Rider RAP.

13
14 **III. Eligibility of Customers**

15
16 (A) The Pilot will be available to all of Dominion Virginia Power's Virginia
17 jurisdictional customers except those customers eligible to participate in the
18 Municipal Aggregation and Commercial and Industrial Pilot (customers with
19 equal to or greater than 500 kW demand).

20
21 (B) Dominion Virginia Power will notify customers of their eligibility.

22
23 **IV. Blocks of Eligible Customers**

24
25 (A) The Pilot shall consist of four blocks of eligible customers from the Residential
26 Service, GS-1 - Small General Service, GS-2 - Intermediate General Service, and
27 Worship Site Service rate classes or equivalent rate schedules. Each block shall
28 be initially designed to achieve the following levels of customers.

29
30 (1) The Residential Service target level of customers for each block shall be
31 9,754.

32
33 (2) The GS-1 – Small General Service target level of customers for each block
34 shall be 843.

35
36 (3) The GS-2 – Intermediate General Service target level of customers for each
37 block shall be 172.

38
39 (4) The Worship Site Service target level of customers for each block shall be
40 15.

41
42 (B) Dominion Virginia Power shall provide appropriate rate class profiles to the
43 Commission ten business days prior to the issuance of a Request for Proposal by
44 the Commission.

- 1
2 (C) The target level of customers in each block shall be maintained by Dominion
3 Virginia Power according to Section V Selection of Customers through
4 Volunteering and/or Random Selection under the following schedule:
5
6 (1) For the first three months of the Pilot, Dominion Virginia Power shall
7 replace customers in each block, by rate class, where there has been a
8 reduction from the target level at the end of each month.
9
10 (2) After the first three months and for the next fifteen months, Dominion
11 Virginia Power shall replace customers in each block, by rate class, where
12 there has been a reduction from the target level at the end of each three-
13 month period.
14
15 (D) The target level of customers shall not be maintained by Dominion Virginia
16 Power during the final six months of the Pilot except according to Section V.F.
17
18 (E) In the event that no remaining customers in a rate class or classes are available
19 for assignment, the target level of customers in each block shall not be
20 maintained.
21

22 **V. Selection of Customers through Volunteering and/or Random Selection**
23

- 24 (A) Customers have 30 days to notify Dominion Virginia Power if they volunteer to
25 participate in the initial selection following notification of eligibility.
26
27 (B) Dominion Virginia Power will maintain a list, by rate class, of all eligible
28 customers that have volunteered to participate in the Pilot.
29
30 (C) If there is an over-subscription in any rate class during the initial selection period,
31 a lottery will be conducted to select customers for each block.
32
33 (D) If there is an under-subscription in any rate class during the initial selection
34 period, customers will be selected from the remaining population of eligible
35 customers using a random selection process.
36
37 (E) When the number of customers, by rate class, in each block has fallen below the
38 target level of customers according to Section IV.A, replacement customers will
39 be selected first, from the list of volunteers and second, by a random selection
40 process according to the schedule set forth in Section IV.C. and notification of
41 customers in Section IX.
42
43 (F) If the enrollments in any class exceeds the targeted numbers by greater than 1%,
44 the CSP shall submit drops for the most recent customers enrolled in order to
45 bring total enrollments for the class equal to the total number allowed. Dominion

1 Virginia Power will monitor the number of customers and communicate this to
2 the CSPs. If a CSP is required to submit customer drops, the last customer
3 enrolled will be the first customer dropped.
4

5 **VI. Qualification of Bidders**
6

7 (A) To be administered by the Commission.
8

9 (B) All interested CSPs will prepare a qualification package and submit that package
10 to the Commission no later than September 15, 2003.
11

12 (C) The qualification package shall include:
13

14 (1) License to operate as a CSP per 20 VAC 5-312-40 of the Virginia Code.
15

16 (2) Certification that registration with Dominion Virginia Power will be
17 completed in compliance with 20 VAC 5-312-50 of the Rules.
18

19 (3) Certification that EDI testing with Dominion Virginia Power has been
20 successfully completed in accordance with VAEDT EDI test plan found in 20
21 VAC 5-312-20.L of the Rules.
22

23 (4) Bidders must conform to 20 VAC 5-312-70 in communications and handling
24 of customers.
25

26 **VII. Bidding Rules**
27

28 (A) The bid must cover the two-year term of the pilot beginning January 1, 2004 and
29 ending December 31, 2005.
30

31 (B) Bidding shall be block specific.
32

33 (C) For each block, class-specific prices must be submitted on a \$ per MWh basis.
34

35 (1) For a class that has a demand component in its unbundled rate schedule, the
36 class-specific price may have a demand component as long as the CSP has not
37 selected rate-ready LDC consolidated billing in accordance with those
38 requirements outlined in the Company's CSP Coordination Tariff. The bidder
39 must convert any demand pricing component into a \$ per MWh price and
40 provide the calculation of such a conversion with its bid.
41

42 (2) For any fixed charge included in the bid, the bidder must include the fixed
43 charge pricing component in a \$ per MWh price and provide the calculation of
44 such a conversion with its bid.
45

(3) If any class-specific prices exceed the class average price-to-compare as released by the Commission following the determination of projected market prices and wires charges for 2004, then such bids will not be accepted.

(4) Should a CSP elect to bill customers using the LDC Consolidated Rate Ready Billing method, charges will be calculated by Dominion Virginia Power on a kWh basis only. Each rate schedule may contain up to 4 kWh blocks. Each block must be billed using per kWh prices. The Company will not prorate blocks or prices contained within a CSP rate schedule.

(D) A weighted average price for each block will be determined based upon the class-specific prices and the energy units for the class. The winning bid shall be the bid with the lowest weighted average price for the block.

(E) Once the winning CSP for each block has been determined, the higher of the class-specific prices from the four winning bids for the blocks shall be used to establish the market price for that class in all four blocks. For winning CSPs that submitted pricing components on a non-per MWh basis as identified in II.C, the market price established herein shall be converted back to the same type of pricing component using the conversion calculation provided by the bidder.

(F) CSPs shall submit required bid information on or before November 5, 2003. All CSPs selected to serve blocks in the Default Service Pilot shall comply with all sections of the Rules Governing Retail Access to Competitive Energy Service (20 VAC 5-312) except as modified or waived by the Commission.

(G) No CSP may be awarded more than two 50 MW blocks.

VIII. Commission Request for Bids for Default Service

(A) The Commission shall issue a Request for bids to serve default service blocks.

(B) The Commission shall determine the winning default service bids by November 15, 2003.

IX. Communication of Random Selection to Blocks and Notification and Enrollment of Customers

(A) Dominion Virginia Power shall send CSPs awarded a block for the Pilot a list of customers included in the block.

(B) CSPs shall send a letter to customers on the list notifying them of their selection to participate in the Default Service Pilot. The letter shall inform the customer of the following:

1 (1) CSPs offer default service.

2
3 (2) Customer specific Pilot P-T-C information.

4
5 (3) That the customer has the right to decline selection for the Pilot and that such
6 right shall be exercised by contacting the CSP by letter or phone and the date
7 by which this must occur.

8
9 (4) Inform the customer that failing to decline their selection will result in their
10 enrollment by the CSP in the Default Service Pilot.

11
12 (C) The CSP shall notify Dominion Virginia Power of all customers that decline
13 selection for the Default Service Pilot by sending Supplier Relations an Excel
14 file listing the account number of each customer. Such notification shall be sent
15 to Dominion Virginia Power within five business days of the CSP's receipt of
16 the customer's declining selection for the block.

17
18 (D) The CSP may enroll all customers that do not decline selection.

19
20 (E) All enrollment transactions shall be according to Section 10 of the Competitive
21 Service Provider Coordination Tariff.

22
23 **X. Compliance with Competitive Service Provider Coordination Tariff**

24
25 All CSPs selected to serve blocks in the Default Service Pilot shall comply with all
26 sections of the Competitive Service Provider Coordination Tariff except as modified
27 herein.

28
29 **XI. Consumer Protection**

30
31 (A) The customer has the right to terminate enrollment with the CSP and return to
32 capped rate service.

33
34 (B) The customer will be responsible for any applicable CSP fees or charges resulting
35 from termination of the contract by the customer.

36
37 (C) Customers switched in error will be switched back to Dominion Virginia Power
38 and any associated charges and fees will be cancelled or reimbursed by the CSP.

39
40 **XII. Pilot Identification**

41
42 CSPs will enroll customers for the Pilot in a manner to be determined by the
43 Company to facilitate reporting.

1 **APPENDIX D TERMS AND CONDITIONS - COMMERCIAL AND INDUSTRIAL**
2 **PILOT**

3
4 **I. Term of Pilot**

5
6 (A) The Pilot shall begin on January 1, 2004 and end on December 31, 2005.

7
8 (B) All applicable rules and requirements for retail access shall be followed as
9 supplemented below.

10
11 **II. Reduction of Applicable Wires Charges**

12
13 Customers participating in the Pilot shall receive a reduction in applicable wires
14 charges according to Rider RAP.

15
16 **III. Eligibility of Customers**

17
18 (A) The Pilot shall be available to all Dominion Virginia Power's Virginia
19 jurisdictional customers whose peak measured demand reached or exceeded 500
20 kW during no less than three billing months (1) within the current and previous 11
21 billing months or (2) during the actual number of billing months in the customer's
22 history if there are less than 12 previous billing months. Certain rate schedules
23 may require migration of the customer to another applicable unbundled rate
24 schedule.

25
26 (B) Dominion Virginia Power will notify customers of their eligibility.

27 **IV. Size of Pilot**

28
29 The size of the Pilot shall not exceed 200,000 kW based upon the maximum actual
30 kW demand for each participating customer during the most recent 12 months.

31
32 **V. Volunteering, Selection, and Enrollment**

33
34 (A) All eligible customers may volunteer for participation in the Pilot.

35
36 (B) If the sum of the maximum kW demand for each volunteering customer during
37 the most recent 12 months exceeds 200,000 kW, a lottery will be conducted to
38 select the participants.

39
40 (C) All enrollment transactions shall be according to Section 10 of the Competitive
41 Service Provider Coordination Tariff.

42
43 (D) Enrollments will be accepted for accounts selected in the lottery.

- 1 (E) Customers selected by lottery must be enrolled within 60 days after the first
2 enrollment date in the Pilot or the customer will lose the enrollment slot reserved
3 for the account and another customer will be selected from the waiting list
4 subject to the size limit of the Pilot.
5
6 (F) Customers that lose their enrollment slot will be notified that they can no longer
7 participate in the Pilot. Customers selected from the waiting list must enroll
8 within 60 days to retain their enrollment slot.
9
10 (G) Customers returning to capped rate service, taking service from another CSP
11 outside of the Pilot, or who no longer take distribution service from Dominion
12 Virginia Power shall be replaced in the Pilot by a Customer from the waiting list
13 subject to the size limit of the Pilot.
14

15 **VI. Failure of the CPS to Provide Service**

16 If a CSP fails to provide service, the customer may return to capped rate service. In
17 lieu of returning to capped rate service, the customer will have 30 days to enroll with
18 another CSP as part of the Pilot. If the customer does not enroll with a CSP within
19 this time period, the customer remains on capped rate service and the minimal stay
20 requirement is applicable.
21

22 **VII. Customer Voluntarily Leaves a CSP**

23 If the customer voluntarily leaves the CSP and returns to capped rate service, the
24 minimum stay requirement is applicable.
25

26 **VIII. Pilot Identification**

27
28 CSPs will enroll customers for the Pilot in a manner to be determined by the
29 Company to facilitate reporting.
30

1 **APPENDIX E -TARIFF RIDER**

2 Rider RAP - Retail Access Pilot

3
4 MUNICIPAL AGGREGATION PILOT
5 DEFAULT SERVICE PILOT
6 COMMERCIAL AND INDUSTRIAL PILOT

7
8
9 **I. Availability**

10
11 This rider is available to existing Customers who (1) elect to receive Electricity Supply
12 Service from a Competitive Service Provider, (2) are billed on one of the Company's
13 applicable Unbundled Rate Schedules, and (3) are participating in either the Municipal
14 Aggregation Pilot, Default Service Pilot, or the Commercial and Industrial Pilot.

15
16
17 **II. Credit**

18
19 The Customer shall receive a credit per billing month equal to the percentage determined
20 in Paragraph II.A. below and applied to the total Competitive Transition Charge amount as
21 calculated on the Unbundled Rate Schedule under which the Customer is billed. This credit is
22 not intended to reduce billing below the minimum charge consistent with the Company's
23 compliance filing in Case No. PUE 2001-00306. The percentage shall be derived as follows:

24
25 (A) The percentage calculated below shall be the rider applicable to each rate schedule.

26 (1) Rate Schedule 1U:

27 [Minimum (Average Wires Charge Revenue per kWh, \$0.00909/kWh)/Average
28 Wires Charge per kWh] x 100

29
30 (2) Rate Schedule 1PU:

31 [Minimum (Average Wires Charge Revenue per kWh, \$0.00697/kWh)/Average
32 Wires Charge per kWh] x 100

33
34 (3) Rate Schedule 1SU:

35 [Minimum (Average Wires Charge Revenue per kWh, \$0.00694/kWh)/Average
36 Wires Charge per kWh] x 100

37
38 (4) Rate Schedule 1TU:

39 [Minimum (Average Wires Charge Revenue per kWh, \$0.00787/kWh)/Average
40 Wires Charge per kWh] x 100

41
42 (5) Rate Schedule 1WU:

43 [Minimum (Average Wires Charge Revenue per kWh, \$0.00405/kWh)/Average
44 Wires Charge per kWh] x 100

- 1 (6) Rate Schedule 5U:
2 [Minimum (Average Wires Charge Revenue per kWh, \$0.01792/kWh)/Average
3 Wires Charge per kWh] x 100
4
- 5 (7) Rate Schedule 7U:
6 [Minimum (Average Wires Charge Revenue per kWh, \$0.01310/kWh)/Average
7 Wires Charge per kWh] x 100
8
- 9 (8) Rate Schedule 6U:
10 [Minimum (Average Wires Charge Revenue per kWh, \$0.00486/kWh)/Average
11 Wires Charge per kWh] x 100
12
- 13 (9) Rate Schedule 6TSU:
14 [Minimum (Average Wires Charge Revenue per kWh, \$0.00233/kWh)/Average
15 Wires Charge per kWh] x 100
16
- 17 (10) Rate Schedule 10U:
18 [Minimum (Average Wires Charge Revenue per kWh, \$0.00280/kWh)/Average
19 Wires Charge per kWh] x 100
20
- 21 (11) Rate Schedule 5CU:
22 [Minimum (Average Wires Charge Revenue per kWh, \$0.01269/kWh)/Average
23 Wires Charge per kWh] x 100
24
- 25 (12) Rate Schedule 5PU:
26 [Minimum (Average Wires Charge Revenue per kWh, \$0.00964/kWh)/Average
27 Wires Charge per kWh] x 100
28
- 29 (13) Rate Schedule GS-1U:
30 [Minimum (Average Wires Charge Revenue per kWh, \$0.00707/kWh)/Average
31 Wires Charge per kWh] x100
32
- 33 (14) Rate Schedule GS-2U:
34 [Minimum (Average Wires Charge Revenue per kWh, \$0.00766/kWh)/Average
35 Wires Charge per kWh] x 100
36
- 37 (15) Rate Schedule GS-2TU:
38 [Minimum (Average Wires Charge Revenue per kWh, \$0.00648/kWh)/Average
39 Wires Charge per kWh] x 100
40
- 41 (16) Rate Schedule GS-3U:
42 [Minimum (Average Wires Charge Revenue per kWh, \$0.00441/kWh)/Average
43 Wires Charge per kWh] x 100
44
- 45 (17) Rate Schedule GS-4U:

1 [Minimum (Average Wires Charge Revenue per kWh, \$0.00373/kWh)/Average
2 Wires Charge per kWh] x 100
3

4 (18) Rate Schedule 25U:

5 [Minimum (Average Wires Charge Revenue per kWh, \$0.00923/kWh)/Average
6 Wires Charge per kWh] x 100
7

8 (19) Rate Schedule 27U:

9 [Minimum (Average Wires Charge Revenue per kWh, \$0.01321/kWh)/Average
10 Wires Charge per kWh] x 100
11

12 (20) Rate Schedule 28U:

13 [Minimum (Average Wires Charge Revenue per kWh, \$0.01320/kWh)/Average
14 Wires Charge per kWh] x 100
15

16 (21) Rate Schedule 29U:

17 [Minimum (Average Wires Charge Revenue per kWh, \$0.00705/kWh)/Average
18 Wires Charge per kWh] x 100
19

20 (B) In no case shall this rider produce a reduction in wires charges greater than the total
21 wires charges.
22

1 **APPENDIX F -TARIFFS WHICH ARE AFFIRMATIVELY SELECTED BY**
2 **CUSTOMERS**

3

4 The following presents the list of rate schedules, riders, and programs for which
5 customers affirmatively select their electricity service. As stated in the proposal,
6 customers served under these rate schedules, riders, and programs will be exempt
7 from inclusion on any random selection or assignment lists for the Municipal
8 Aggregation or Default Service Pilots. These customers are eligible to volunteer for
9 the Pilots upon notification to the Company. Customers on Rider J and the Energy
10 Saver Home Plus program will not be allowed to return to service under these riders
11 if they elect to volunteer and then decide to return to capped rate service from
12 Dominion Virginia Power.

13

14 **Rate Schedule 1P - Residential Service**
15 **Rate Schedule 1S - Residential Service**
16 **Rate Schedule 1T - Residential Service**
17 **Rate Schedule 1W -Time-Controlled Storage Water Heating Residential**
18 **Rate Schedule 5P - Church, Synagogue and Charitable Institution Service**
19 **Rate Schedule 6TS - Thermal Storage**
20 **Rate Schedule 7 - Electric Heating**
21 **Rate Schedule 10 - Large General Service**
22 **Rate Schedule GS-2T - Intermediate General Service Time of Usage**
23 **Rate Schedule CS - Curtailable Service**
24 **Rate Schedule SG - Standby Generator**
25 **Rider J - Interruptible Electric Water Heating Service Residential Customers**
 Energy Saver Home Plus Program

APPENDIX G - PILOT DESIGN TABLES

**Table 1 – Municipal Aggregation - Opt-In and Opt-out
(Illustrative)**

Customer Class	No. of Accounts In Pilot	Participating Accts. (Estimated) In Pilot	Estimated kWh In Pilot	Estimated kW In Pilot
Residential	54,300	19,900	278,082,600	75,063
GS-1	4,669	1,615	32,018,990	5,861
GS-2	949	325	107,169,075	18,688
Schedule 5C	82	30	1,817,730	535
Total	60,000	21,870	419,088,395	100,147

Table 2 – Default Service Participation Limits

Customer Class	No. of Accounts In Pilot	No. of Accounts Per Block	Estimated kWh In Pilot	Estimated kW in Pilot
Residential	39,016	9,754	545,209,584	147,168
GS-1	3,372	843	66,853,272	12,237
GS-2	688	172	226,868,688	39,560
Schedule 5C	60	15	3,635,460	1,069
Total	43,136	10,784	842,567,004	200,034

Table 3 – Commercial and Industrial Participation Limits

Customer Class	kW Limit in Pilot
GS-3 and GS-4	200,000